



MINUTES

Wednesday, May 11, 2005

8:30 a.m. – 11:00 a.m.

Missouri Department of Transportation, Creek Trail Drive

The May 11, 2005 meeting was called to order at 8:30 a.m. by Micki Knudsen, Co-Chair.

Micki presented Maggie Schmidt with a certificate on her outstanding performance as previous co-chair.

Agenda Items

MOSERS Update – Scott Simon, MOSERS

Scott spoke briefly about retirement legislation. The major legislation related to a retirement incentive package did not pass during the session.

Life Insurance and Long Term Disability Plan Changes – Brian Hendricks, Carl D'Amato, Maureen Addington, The Standard Insurance*

Several representatives from The Standard Insurance made a presentation regarding various changes to the long-term disability program administered through MOSERS. The changes will become effective July 1, 2005. All SHRMC members who attended the meeting and who signed the attendance sheet, as well as those members already on our SHRMC mailing list, will receive an electronic version of the packet of materials to be furnished by The Standard Insurance.

OA Update – Gary Fogelbach, Office of Administration*

The O.A. electronic application is up and running. Applicants can go to the Division of Personnel, Resource Center, to complete the on-line application.

The Personnel Advisory Board's Pay Plan Hearing is on June 14. Written comments will be submitted by SHRMC after discussion at the June 8 meeting.

Gary spoke about Senate Bill 367, which contains changes to HB1548 and SB600. If Governor Blunt signs this bill into law, it will limit the forced pay down of comp time to only certain agencies. The legislation also requires payroll deduction for state employees subject to a tax compliance payment plan with the Dept. of Revenue.

Account Series Review – Jim Carder, Former Director of Accounting*

Jim discussed the job classification proposal regarding positions in the Accounting Series. Agencies were furnished the information in advance of the SHRMC meeting. Agencies are encouraged to review the proposal and make comments by May 31, 2005.

Continuity of Operations – Bob Roark, Ciber, Inc.*

Ciber, Inc., had been engaged by the Office of Administration to work with various agencies to develop Business Continuity Plans. Bob Roark and John Burgher have already been in touch with several agencies based on a set order of priority to begin working on their plans. It will be very important to involve human resources staff in the discussions as agencies develop their plans. Bob provided a handout which lists the high level issues that will need to be addressed as agencies develop their plans.

**SHRMC will be working further as a group to address these issues as well. We may need to consider putting together a SHRMC work group to work on these further.

Other Announcements**Annual Leave Sweep – Micki Knudsen, MoDOT**

Micki indicated an e-mail would be forthcoming regarding a proposed change in the rule on the date of the annual leave sweep. MoDOT wishes to pursue a change in the rule to move the date from October 31 to December 31. The e-mail requesting agency feedback regarding this matter was sent out on Friday, May 20, 2005.

FMLA Best Practices in Missouri State Government – Jane Frew, Public Defenders Office

Jane passed out limited copies of the draft report regarding FMLA best practices. Those who have received a copy are encouraged to comment so that the Committee can finish the report and issue a final version. If you would like a copy of the report, please contact Jane or Micki Knudsen.

SHRM Certification Preparation Course – Cheri Swales

Reminder – If interested, please sign up for the SHRM Certification Preparation Course. The information is on the SHRMC website or contact Cheri Swales at DESE.

Drive Smart – Micki Knudsen

Micki asked everyone to check out MoDOT's website for information concerning MoDOT highway construction projects and the locations of numerous work zones that will be set up throughout the summer. The number of work zones will be triple that of previous years due to the Smoother, Safer, Sooner Initiative. An e-mail with additional information was sent to SHRMC participants on May 17, 2005. Everyone is encouraged to pass this information along.

Next SHRMC Meeting: June 8, 2005, 8:30 a.m.

Location: MoDOT, 1320 Creek Trail Drive, Conference Room I-70

Meeting adjourned.

***THE HANDOUTS FOR THESE TOPICS ARE BELOW.**



Ciber

The Continuity of Operations Plan (COOP) is developed to assist in preventing events which may disrupt business operations and services and minimize their potential impact.

All state agencies should establish and maintain a viable COOP capability, which identifies the performance of essential functions during any emergency, or situation which disrupt normal operations.

A viable COOP capability identifies plans and procedures, alternate facilities, and alternate interoperable communications as well as data support systems, and is reinforced by a comprehensive orientation, training, and exercise program.



Issues Needing Resolution

- Are there provisions for “Standby Duty”, “Compressed Work Schedules”, “Bi-Weekly and Annual Premium Pay Limitations”?
- When employees are sent home or instructed not to come to work how are they compensated for their time?
- Do plans and procedures exist for laying off employees or closing facilities in the event of an emergency?





Action Items

- What policies and plans regarding Human Capital currently exist?
- Where are they and may we include them in our effort?
- Who is our Point of Contact?

Accounting Series Proposal

Vision

- Provide managers and executives with needed financial expertise
- Moving the state forward

Goals

- To provide state and agency management with reliable financial data and analysis.
- Establish a framework for the development of a professional workforce with accounting expertise.
- To promote the highest degree of professional accounting knowledge, integrity and ethics in our state government.
- Develop a financial management career concept to support our current environment.

Background

- Review began September, 2003
- Informational Resources
 - State Statutes/Regulations
 - Other States
 - Internal survey
 - Federal Government
 - Textbooks
 - Universities

Committee Members

• LaVerne Brondel	Natural Resources	751-3016
• Jim Carder	Retired	
• Mike Clark	Mental Health	751-1410
• Vandee DeVore	Office of Administration	522-5863
• Natoma Elliott	Economic Development	526-8211
• Shirley Gerling	Insurance	751-4439
• Steve Hope	Insurance	751-6798
• Denise Horn	Agriculture	751-7751
• Guy Krause	Office of Administration	751-4232
• Lenard Lenger	Corrections	526-6441
• Theresa McDonald	Social Services	526-8758
• Bruce Prenger (facilitator)	Office of Administration	751-5842
• Marleen Richardson	Corrections	526-6480

Scope/Focus

- Preliminary review included (class title and date of last class specification revision):
 - Accountant I (1977)
 - Accountant II (1983)
 - Accountant III (1983)
 - Accounting Analyst I (1978)
 - Accounting Analyst II (1979)
 - Accounting Analyst III (1979)
 - Account Clerk I (1977)
 - Account Clerk II (1977)

Scope/Focus (cont.)

- Initial effort focused on revising Accountant series – decision made to develop new series.
- Current specs do not reflect today's needs
- Misleading
- Focus on Transaction Processing and clerical support

Bookkeeping or Accounting

• Clerical side of accounting	Interpretation & use of accounting data
• Routine transactions	Evaluating efficiency of operations
• Day-to-day recordkeeping	Complex financial reporting
	Forecasts
	Accounting systems
• Proficient: few weeks/months	Years of study
	Continuing Professional Education

External Factors

- Legislation
 - Performance Based Budgeting
 - Sarbanes-Oxley Act of 2002
 - New Yellow Book
- Changing Profession
- Changing Environment
 - Accountability
 - Taxpayers expectations
 - Legislative Term Limits

Internal Factors

- SAM II System
- Recruitment and retention of qualified and productive staff

Solution

- Incorporate accounting data and analysis into:
 - Planning
 - Budgeting
 - Accounting
 - Management
 - Decision Support
- These should not be a series of “independent” activities
- Utilizes professional accounting skills and expertise

Remedy

- Highly qualified personnel
 - New standards for accounting profession and state requirements
 - Corrects an imbalance in skills and knowledge
 - Staff having the knowledge, experience and judgment needed to handle and ensure compliance with:
 - Accountability reports
 - Performance Reporting
 - Integrated financial management systems

Changing Our Expectations

(External & Internal)

- Broader analytic and decision support
- Shift in workforce qualifications
- Moving away from transaction support
- Data analysis vs. data collection
- Uncertain financial future
- Critical need for multi-skilled personnel

Greater Demand

- Integrated financial information
- Cost analysis
- Budget evaluation
- Performance/Program evaluation
- Systems and analysis
- Broader competencies and capabilities
- Human capital (staff is most important resource)

Proposal

- New job series proposed - three levels
 - Accounting Specialist I * Pay Range 22
 - Accounting Specialist II * Pay Range 25
 - Accounting Specialist III Pay Range 29
- * Multi-Allocated—three year experience requirement
- Career Path
- New specifications
- Paradigm Shift

Competencies

- Knowledges, skills and abilities
- Designed to reflect the growth of accountants knowledge
- Cost accounting
- Internal Controls
- Auditing
- Capital planning
- Information Technology

Qualification Standards

- Bachelor's degree in accounting
- Recognition of professional certification

Strategies

- Acknowledging the need for change
- Establish consistent leadership and vision
- Broader financial management career concept
- Recruitment strategy
- Commit to developing employees
- Commit to retaining employees
- Education and training
 - Agency
 - Individual

Next Steps

- Distribution of draft class specifications for agency review and comment
- Finalize draft specifications and proposal
- Office of Administration management endorsement
- Submit for PAB consideration/approval



Missouri State Employees' Retirement System

Mailing Address
PO Box 20
Jefferson City, MO 65102-0209

Shipping Address
907 Wildwood Driv
Jefferson City, MO 6510

MEMORANDUM

TO: Human Resources

FROM: Scott Simon

SUBJECT: Life and Long-Term Disability (LTD) Insurance Plans

DATE: May 1, 2005

MOSERS life and long-term disability insurance programs will be changing effective July 1, 2005. These adjustments are intended to bring each contract more in line with what are considered industry standards and to reduce the cost of each plan. These changes will be applied to events that occur on or after July 1, 2005. Events occurring prior to that time will continue to be treated under the current plan design. The cost savings for these plans were distributed in a previous memorandum. The following summarizes the changes that will take place.

Life Insurance

Our current life contract includes a waiver of premium feature for those individuals meeting a specific definition of disability. This waiver allows a qualifying disabled person to continue their life insurance coverage at no cost. This obligation is terminal; meaning, a person may receive a waiver of premium until death assuming they remain disabled. Although this feature is quite generous, it does not coincide with the intent of our long-term disability plan. That intent is to bridge the gap from the date of disability to retirement. Clearly our current provisions go beyond that period. Starting in July, a person that qualifies for a waiver of premium on their life insurance will have that benefit end upon retirement. At that time, they may continue their coverage by paying for it, like all other retirees. Basic life rates will be reduced by 3%, which will result in savings of approximately \$150,000 annually. Optional rates would be changed according to the table below:

Age	Current rate	New rate
< 35	.08	.08
35-39	.12	.12
40-44	.18	.18
45-49	.30	.28
50-54	.50	.48
55-59	.86	.84
60-64	1.34	1.32
65-69	2.28	2.20
70+	4.00	3.88

It is estimated these reductions will save our members approximately \$250,000 annually.

Phone: (573) 632 - 6100 • (800) 827 - 1063
MO Relay: (800) 735 - 2466 (Voice) • (800) 735 - 2966 (TDD)
E-mail: mosers@mosers.org • Web site: www.mosers.org

Long-Term Disability

The contract we have in place today is referred to as a “series 90” model. “Contract 2000” is a more modern version that includes updated provisions that allow for better management of long-term disability claims. This contract was developed with the thought that most people want to return to work; therefore, it provides the mechanisms that allow the carrier to work with individuals to get them back to work. As a result of these changes, rates for this coverage will decrease approximately 3%. The following table reflects the effected provisions and how they work in our current plan (Series 90) along with the updated design (Contract 2000).

Topic	Series 90	Contract 2000 – effective July 1, 2005
Own occupation definition of disability	You are unable to perform with reasonable continuity the material duties of your own occupation.	You are unable to perform with reasonable continuity the material duties of your own occupation and you suffer a loss of at least 20% of indexed pre-disability earnings when working in your own occupation. The earnings loss minimizes the subjectivity applied in determining eligibility.
Any occupation definition of disability	You are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonably fitted by education, training, and experience.	You are unable to assume any occupation or employment which you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 60% of your indexed pre-disability earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation. Again, the earnings loss of 40% minimizes the subjectivity applied to determining eligibility.
Partial disability	When you work in your own occupation but, as a result of physical disease, injury, pregnancy, or mental disorder, you are unable to earn 80% or more of indexed pre-disability earnings.	There is not a specific definition of partial disability; however, claimants may work and still be considered disabled. Essentially, the own and any occupation definitions allow for partial disability as long as the applicable earnings loss is recognized. Up to 100% of pay may be received between earnings and the disability payment. (There is really no difference between this and our current plan.)
Return to work responsibility	Not included in current contract.	During the applicable own occupation and any occupation period, no benefits will be payable for any period when you are able to work in the respective own/any occupation period, but you elect not to work. In other words, if claimant is able yet does not accept available employment, benefits end.

Work earnings definition	Your gross monthly earnings from work you perform while disabled...including earnings from your employer, any other employers, or self-employment.	Same as current contract plus the earnings you could receive if you worked as much as you are able to, considering your disability, in work that is reasonably available including earnings from your employer, any other employer, or self-employment, and any sick pay, vacation pay, annual, or personal leave pay or other salary continuation earned or accrued while working. The primary difference in this contract is that it encourages able claimants to work. It also would mean that annual leave or share leave payouts would be deducted from their benefit.
Preexisting condition	Means a mental or physical condition for which you have done any of the following...at any time during the preexisting condition period.	Means a mental or physical condition whether or not diagnosed or misdiagnosed for which you have done or for which a reasonably prudent person would have done any of the following...at any time during the period just before the date your insurance becomes effective. In other words, a person with obvious symptoms that refrains from going to the doctor during the preexisting period would be declined benefits.
Loss of license or Certification exclusion	No exclusion in current contract.	You are not covered for a disability caused or contributed to by the loss of your professional license, occupational license, or certification.
Foreign residency limitation	No exclusion in current contract.	Payment of benefits is limited to 12 months for each period of continuous disability while you reside outside of the United States or Canada. Those claimants residing outside of these two countries are nearly impossible to maintain in terms of medical records to substantiate their continuing disability.
Reasonable accommodation expense	The Standard will pay up to \$500.	If you return to work in any occupation for any employer, not including self-employment, as a result of a reasonable accommodation made by such employer, we will pay for expenses up to \$25,000.

These changes will have little, if any, impact on your role as an HR contact. In fact, these changes will have very little impact on any of us as administrators. The primary burden will be placed on The Standard as our long-term disability insurance provider. Updated handbooks will be distributed in June.

On a related note, the Personnel Advisory Board (PAB) recently approved an update to a rule applicable to long-term disability. The update, which will take effect later this spring, allows employers more

May 1, 2005
Page 4

flexibility for individuals that are affected by long-term or partial disability claims. Below is a more specific reference to this update:

1 CSR 20-3.070(6)(C) Resignations/LTD

The purpose of this revision is to provide appointing authorities some flexibility in retaining employees who are approved for long-term disability or partial disability. Paragraph (C)1. of the revision allows the appointing authority to approve a leave of absence for the employee returning to work in the foreseeable future. Paragraph (C)2. provides that employees who are approved for partial disability may continue to work part-time when such work schedule can be accommodated by the appointing authority.

Should you have any further questions on these or other matters related to MOSERS benefits, please contact a benefit counselor.

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]

SENATE BILL NO. 367

93RD GENERAL ASSEMBLY

2005

1656S.01T

AN ACT

To repeal sections 105.262 and 105.935, RSMo, and to enact in lieu thereof two new sections relating to state employees, with an effective date.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 105.262 and 105.935, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 105.262 and 105.935, to read as follows:

105.262. 1. As a condition of continued employment with the state of Missouri, all persons employed full time, part time, or on a temporary or contracted basis by the executive, legislative, or judicial branch shall file all state income tax returns and pay all state income taxes owed.

2. Each chief administrative officer or their designee of each division of each branch of state government shall at least one time each year check the status of every employee within the division against a database developed by the director of revenue to determine if all state income tax returns have been filed and all state income taxes owed have been paid. The officer or designee shall notify any employee if the database shows any state income tax return has not been filed or taxes are owed under that employee's name or taxpayer number. Upon notification, the employee will have forty-five days to satisfy the liability or provide the officer or designee with a copy of a payment plan approved by the director of revenue. **To satisfy this section, any approved payment plan shall be in the form of a payroll deduction.** Failure to satisfy the liability or provide a copy of the **approved payroll deduction** payment plan within the forty-five days will result in immediate dismissal of the employee from employment by the state. **Nothing in this subsection shall prohibit the director of revenue from approving modifications to an approved payroll**

deduction payment plan for good cause; however, if an employee voluntarily suspends or terminates an approved payroll deduction without the agreement of the director of revenue before the tax liability is satisfied, then the employee shall be in violation of this section and shall be immediately dismissed as an employee of this state.

3. The chief administrative officer of each division of the general assembly or their designee shall at least one time each year provide the name and Social Security number of every member of the general assembly to the director of revenue to determine if all state income tax returns have been filed and all state income taxes owed have been paid. The director shall notify any member of the general assembly if the database shows any state income tax return has not been filed or taxes are owed under that member's name or taxpayer number. Upon notification, the member will have forty-five days to satisfy the liability or provide the director with a copy of a payment plan approved by the director of revenue. **To satisfy this section, any approved payment plan shall be in the form of a payroll deduction.** Failure to satisfy the liability or provide a copy of the **approved payroll deduction** payment plan within the forty-five days will result in the member's name being submitted to the appropriate ethics committee for disciplinary action deemed appropriate by the committee. **Nothing in this subsection shall prohibit the director of revenue from approving modifications to an approved payroll deduction payment plan for good cause; however, if a member voluntarily suspends or terminates an approved payroll deduction without the agreement of the director of revenue before the tax liability is satisfied, then the member shall be in violation of this section and the member's name shall be immediately submitted to the appropriate ethics committee for disciplinary action deemed appropriate by the committee.**

4. The chief administrative officer of each division of the judicial branch or their designee shall at least one time each year provide the name and Social Security number of every elected or appointed member of the judicial branch to the director of revenue to determine if all state income tax returns have been filed and all state income taxes owed have been paid. The director shall notify any member if the database shows any state income tax return has not been filed or taxes are owed under that member's name or taxpayer number. Upon notification, the member will have forty-five days to satisfy the liability or provide the director with a copy of a payment plan approved by the director of revenue. **To satisfy this section, any approved payment plan shall be in the form of a**

payroll deduction. Failure to satisfy the liability or provide a copy of the **approved payroll deduction** payment plan within the forty-five days will result in the member's name being submitted to the appropriate ethics body for disciplinary action deemed appropriate by that body. **Nothing in this subsection shall prohibit the director of revenue from approving modifications to an approved payroll deduction payment plan for good cause; however, if a member voluntarily suspends or terminates an approved payroll deduction without the agreement of the director of revenue before the tax liability is satisfied, then the member shall be in violation of this section and the member's name shall be immediately submitted to the appropriate ethics body for disciplinary action deemed appropriate by that body.**

5. The director of revenue shall at least one time each year check the status of every statewide elected official against a database developed by the director to determine if all state income tax returns have been filed and all state income taxes owed have been paid. The director shall notify any elected official if the database shows any state income tax return has not been filed or taxes are owed under that official's name or taxpayer number. Upon notification, the official will have forty-five days to satisfy the liability or agree to a payment plan approved by the director of revenue. **To satisfy this section, any approved payment plan shall be in the form of a payroll deduction.** Failure to satisfy the liability or agree to the **approved payroll deduction** payment plan within the forty-five days will result in the official's name being submitted to the state ethics commission. **Nothing in this subsection shall prohibit the director of revenue from approving modifications to an approved payroll deduction payment plan for good cause; however, if an official voluntarily suspends or terminates an approved payroll deduction without the agreement of the director of revenue before the tax liability is satisfied, then the official shall be in violation of this section and the official's name shall be immediately submitted to the state ethics commission.**

105.935. 1. Any state employee who has accrued any overtime hours may choose to use those hours as compensatory leave time provided that the leave time is available and agreed upon by both the state employee and his or her supervisor.

2. A state employee who is a nonexempt employee pursuant to the provisions of the Fair Labor Standards Act shall be eligible for payment of overtime in accordance with subsection 4 of this section. A nonexempt state employee who works on a designated state holiday shall be granted

equal compensatory time off duty or shall receive, at his or her choice, the employee's straight time hourly rate in cash payment. A nonexempt state employee shall be paid in cash for overtime unless the employee requests compensatory time off at the applicable overtime rate. As used in this section, the term "state employee" means any person who is employed by the state and earns a salary or wage in a position normally requiring the actual performance by him or her of duties on behalf of the state, but shall not include any employee who is exempt under the provisions of the Fair Labor Standards Act or any employee of the general assembly.

3. Beginning on January 1, 2006, and annually thereafter each department shall pay all nonexempt state employees in full for any overtime hours accrued during the previous calendar year which have not already been paid or used in the form of compensatory leave time. All nonexempt state employees shall have the option of retaining up to a total of eighty compensatory time hours.

4. The provisions of subsection 2 of this section shall only apply to nonexempt state employees who are otherwise eligible for compensatory time under the Fair Labor Standards Act, excluding employees of the general assembly. Any nonexempt state employee requesting cash payment for overtime worked shall notify such employee's department in writing of such decision and state the number of hours, no less than twenty, for which payment is desired. The department shall pay the employee within the calendar [quarter] **month** following the [quarter] **month** in which a valid request is made. Nothing in this section shall be construed as creating a new compensatory benefit for state employees.

5. Each department shall, by November first of each year, notify the commissioner of administration, the house budget committee chair, and the senate appropriations committee chair of the amount of overtime paid in the previous fiscal year and an estimate of overtime to be paid in the current fiscal year. The fiscal year estimate for overtime pay to be paid by each department shall be designated as a separate line item in the appropriations bill for that department. The provisions of this subsection shall become effective July 1, 2005.

6. Each state department shall report quarterly to the house of representatives budget committee chair, the senate appropriations committee chair, and the commissioner of administration the cumulative number of accrued overtime hours for department employees, the dollar equivalent of such overtime hours, the number of authorized full-time equivalent positions and vacant positions, the amount of funds for any vacant positions which will be used to pay overtime

compensation for employees with full-time equivalent positions, and the current balance in the department's personal service fund.

7. This section is applicable to overtime earned under the Fair Labor Standards Act. This section is applicable to employees who are employed in nonexempt positions providing direct client care or custody in facilities operating on a twenty-four hour seven day a week basis in the department of corrections, the department of mental health, the division of youth services of the department of social services, and the veterans commission of the department of public safety.

Section B. Section A of this act shall become effective on January 1, 2006.

[Return to Main Bill Page](#)

[Return to Senate Home Page](#)